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SUBJECT: POLITICAL SCENESETTER FOR CODEL PELOSI

¶1. (SBU) The U.S. Mission in Pakistan warmly welcomes your January 27-28 visit to Islamabad. The Government of Pakistan is a key ally in the War on Terror and an essential partner in our efforts to stabilize Afghanistan. President Musharraf and Prime Minister Aziz, both western-oriented modernizers, are committed to moving Pakistan toward "enlightened moderation" and to rooting out terrorism within Pakistan's borders, despite the serious internal challenges this entails. Your visit is an opportunity to underscore the U.S.-Pakistani partnership in the long war on terror and to reassure the Pakistani people that the U.S. is committed to a broad-based, long-term strategic relationship with Pakistan. Over the course of 2006, Pakistan's leaders confronted armed insurrection by militant nationalists in Balochistan, ongoing battles with anti-Coalition and extremist fighters in the tribal areas along the border with Afghanistan, a turbulent domestic political scene and the transition from relief operations to long-term reconstruction in the areas devastated by the October 2005 earthquake. In 2007, Pakistan will press forward with a strategic plan to stabilize its tribal areas, seek improved relations with both India and Afghanistan and prepare to elect a new federal parliament and provincial assemblies.

U.S./Pakistani Relations

¶2. (SBU) The U.S. has developed a close partnership with the Government of Pakistan (GOP) since 9/11. Our partnership with Pakistan covers the spectrum of bilateral engagement, ranging from counterterrorism cooperation to a counternarcotics air wing to the largest Fulbright senior scholar exchange program in the world. The U.S. provides financial and technical support to Pakistan on many fronts: counterterrorism, military assistance and training, earthquake relief and reconstruction, economic development, social and educational capacity-building; counter-narcotics assistance, law enforcement training, judicial reform, and strengthening electoral institutions and training political party workers in preparation for upcoming parliamentary elections.

¶3. (SBU) President Musharraf and the Government of Pakistan have shown considerable courage in aligning their country with the U.S. and in advancing a vision of enlightened moderation. Musharraf often is often described by local critics as a puppet of the West for attempting to crack down on Islamic militants and introducing progressive legislation, such as the Women's Protection Bill. In our public diplomacy efforts, we thank both Musharraf for his courageous leadership and the people of Pakistan for their friendship, taking care not to encourage the perception that the President is pursuing his agenda only to keep the West happy.

Domestic Issues

¶4. (SBU) Women's Rights/Domestic Politics: On December 1, 2006, President Musharraf signed the Women's Protection Act into law. This legislation marks the first time that a Pakistani government has successfully rolled back Islamist legislation since the incremental Islamization of the country began in the 1980s. Now that he has signed the bill into law, Musharraf has signaled that he will continue to pursue additional pro-women legislation.

¶5. (SBU) Democracy: President Musharraf has committed - publicly and privately - to moving Pakistan toward a civilian-led democracy. General elections for the national and provincial assemblies are anticipated in late 2007/early 2008. Some opposition leaders fear that Musharraf will attempt to engineer election results that benefit him, but Musharraf himself has emphasized the imperative of holding transparent and credible elections. The U.S. Embassy has set an ambitious agenda of assistance to the Election Commission of Pakistan to lay the institutional foundation for open and credible elections.

¶6. (SBU) Federally Administered Tribal Areas (FATA): President Musharraf's September 5 agreement with tribal elders in North Waziristan -- which was meant to halt the "talibanization" of the region and to decrease attacks originating from Pakistan against coalition forces in Afghanistan -- has yet to stem cross-border insurgency or the spread of extremist influence in Pakistan's border areas. Convinced that political outreach to secure the support of local population is the only way to defeat militant extremists, Musharraf argues that it will take time for the traditional tribal structures to secure the area. Acknowledging that the North Waziristan accord has not

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produced satisfactory results, in late December 2006 Musharraf ordered military and civilian officials to re-assess its implementation. Since that meeting, the government has moved forward with the appointment of new leadership to key law enforcement positions, enhancement of immigration/customs controls at official border crossings, investigation of possible selective fencing and mining of the border and re-engage with tribal leaders in North Waziristan to improve implementation of the September 5 accord. The U.S. Government is engaged in an ambitious program to assess economic and development needs and counter-insurgency capacity in the FATA, in order to provide appropriate development and security assistance.

¶7. (SBU) Balochistan: Balochistan is the largest province in Pakistan geographically (40 percent of the land mass), but the smallest in population and the most backwards in terms of social and economic development. Baloch nationalism and anti-Islamabad rhetoric has risen in recent months, exacerbated by the death of Nawab Akbar Bugti, a prominent Baloch leader who led an armed insurrection against the government, in a security operation conducted by the Pakistani Army in August 2006. Human rights activists allege that over the course of the past year, hundreds of Baloch nationalists and their sympathizers have "disappeared" into the custody of Pakistan security agencies. The Supreme Court of Pakistan is in the midst of an investigation demanding that the Government account for these missing individuals. Local observers agree that the federal government's policies in Balochistan have only increased tensions between the province and Islamabad. It may take "decades" to rebuild confidence between the province and the center, even if the federal government follows through with a ambitious development assistance package for the province.

Pakistan's Neighborhood

¶8. (SBU) Afghanistan: The relationship between Afghanistan and Pakistan suffers from mutual suspicion and recrimination.

Afghanistan is concerned about cross-border infiltration; Pakistan is unnerved by the prospect of India using its diplomatic and reconstruction assets in Afghanistan to gain advantage in the region. President Musharraf and most governmental and military leaders are vocal in their support for the Karzai government to solidify its control over the country. To that end, the Government cooperates on operational security with the Afghan National Army and ISAF forces through regular Tripartite Commission meetings. Both capitals engage in bouts of unhelpful public rhetoric, each blaming the other for not doing enough to prosecute the battle against their common enemies in the tribal areas along the border.

¶9. (SBU) Afghanistan (cont): During dinner with President Bush in September 2006, the two Presidents agreed to hold jirgas to address security issues on the Pak-Afghan border. Since then, each capital has put forward a different vision for these jirgas, with President Karzai seeking an expansive national gathering for Afghanistan, while the Pakistanis prefer to restrict focus and participation to the Pashtun Belt along the Pak-Afghan border. Pakistani officials recently placed renewed emphasis on encouraging 2.6 million Afghans in Pakistan to return home and closing problematic Afghan refugee camps in Balochistan and the North West Frontier Province, which have become safehavens for Taliban and other miscreants,

¶10. (SBU) India/Kashmir: President Musharraf and his senior advisors have publically reinforced Pakistan's commitment to end the Kashmiri militancy. Many Pakistani observers believe that the government's ability to control Kashmiri militants would be greatly enhanced if India showed more flexibility on a political resolution of the Kashmir conflict. On December 5, 2006, President Musharraf outlined his position on Kashmir in an interview with an Indian broadcaster, saying that Pakistan would be willing to give up its claim on Kashmir if India and Pakistan were to agree on a form of self-governance for the region. Foreign Minister Mukerjee visited Islamabad in mid-January 2007; Prime Minister Singh may visit Islamabad as early as March 2007, ahead of Musharraf's visit to the SAARC summit in New Delhi in April 2007.

¶11. (SBU) Iran: Pakistan has a long and complicated relationship with its neighbor Iran. Pakistani officials often allude to Pakistan's vulnerability to Iranian trouble-making, citing the influence of Tehran on Pakistan's sizable Shi'a community (approximately 20 percent of the population). Pakistani opinion leaders and politicians

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recognize that continued controversy over Iran's nuclear program has the potential to destabilize the region. Pakistan has publically urged Iran to take the EU-3 and U.S. proposals seriously and begin negotiations forthwith. The government has also called for all parties to abide by their international obligations and to pursue a negotiated resolution.

¶12. (SBU) China: China's interaction with Pakistan sticks to the bottom line: business. Islamabad and Beijing do not address democracy, human rights, or Islamic extremism as part of their bilateral relationship. China is well regarded by the Pakistani public for its high-profile investments in Pakistan's infrastructure (the Karakoram Highway and the development of port facilities and energy resources in Balochistan). China is admired for its economic prowess. The first Pak-China joint military exercise in Pakistan - "Friendship 2006" - occurred in early December, shortly after the successful state visit of Chinese President Hu.
CROCKER